

DISASTER RECOVERY ASSISTANCE FOR HISTORIC PROPERTIES

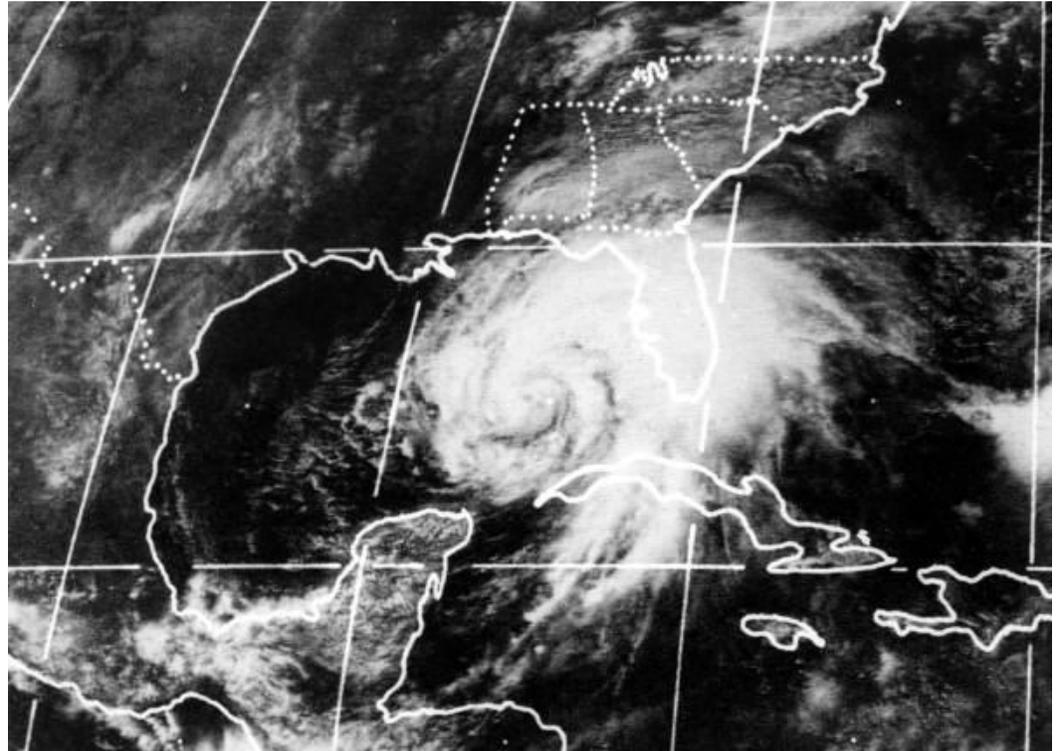
Kenneth H. Cureton, R.A., NCARB

Senior Preservation Architect
Bureau of Historic Preservation



FLORIDA DEPARTMENT OF STATE
DIVISION OF HISTORICAL RESOURCES

Rev 09/2017



DISASTER RECOVERY ASSISTANCE PROGRAMS FOR HISTORIC PROPERTIES

OBJECTIVE: To educate local government, tribal, private not-for-profit and individual owners of historic properties in Florida on available financial programs to assist in disaster recovery.

PURPOSE: To provide economic and technical assistance for recovery from disaster related damages to qualifying Florida historic properties in the form of state and federal funding programs and professional guidance for preservation, mitigation and restoration efforts.

BENEFITS: A means of funding recovery work by:

- State and federal grant funding
- Low interest loans
- Federal income tax credits



Pensacola - 1906 Hurricane



10-11-1909 at Simonton and Greene Streets in Key West.



Key West - 1909 Hurricane

DISASTER RECOVERY ASSISTANCE PROGRAMS FOR HISTORIC PROPERTIES

Florida Hurricane Irma (DR-4337)

Immediate Information:

To see the latest information regarding availability of recovery assistance and other event-related information, as well as applying for recovery assistance, please visit the FEMA website:

<https://www.fema.gov/disaster/4337>

We strongly encourage all residents to familiarize themselves as soon as possible with the critical dates, deadlines and programs available to ensure a speedy recovery from this event.



Downtown Jacksonville



Miami Beach



Sunrise Motel - Naples



Shel Siverstein Home - Key West

DISASTER RECOVERY ASSISTANCE PROGRAMS FOR HISTORIC PROPERTIES

Florida Hurricane Irma (DR-4337)

Immediate Information:

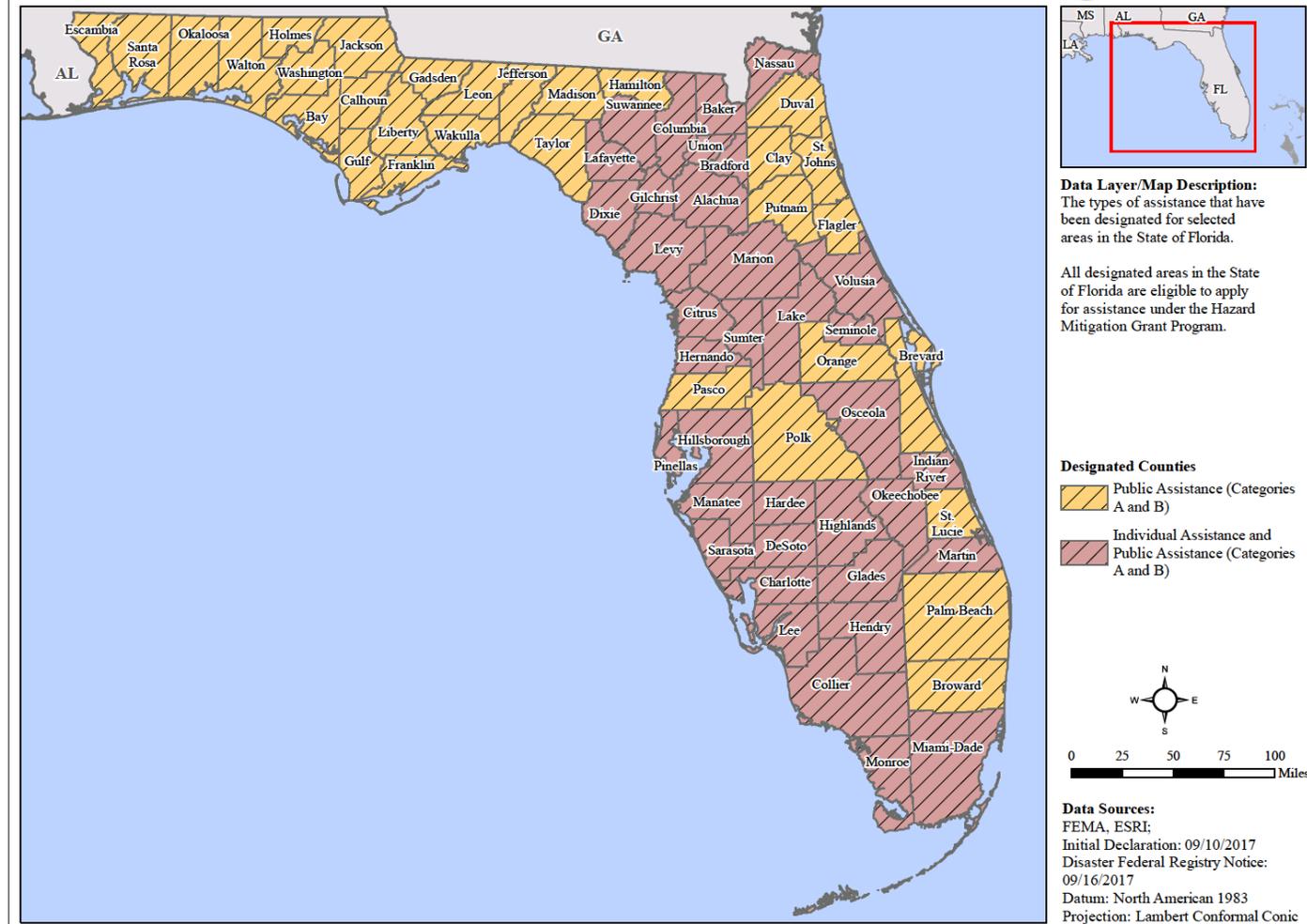
This map depicts the counties designated eligible for FEMA Individual Assistance, FEMA Public Assistance, or both as of 9/16/17.

These designations are subject to change. Consult the FEMA website below, or contact the Florida Division of Emergency Management for the latest updates:

fema.gov/disaster/4337

floridadisaster.org/info/

FEMA-4337-DR, Florida Disaster Declaration as of 09/16/2017



RECOVERY PROGRAMS AVAILABLE

Federal Disaster Recovery Programs through FEMA

- Individual Assistance Programs
- Public Assistance Grant Program

**This should be the first option considered, as it is the most broad ranging program and is geared toward expedited assistance, including emergency protective measures*

Federal Historic Preservation Tax Credit Programs

- 10% Rehabilitation Tax Credit
- 20% Rehabilitation Tax Credit

State Historic Preservation Grant Programs

- Small Matching Grants
- Special Category Grants





Miami - 1926 "Great Miami" Hurricane

FEDERAL DISASTER RECOVERY PROGRAMS

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Recovery assistance is administered by the State of Florida Division of Emergency Management on behalf of FEMA

Advantages:

- Faster funding process (within 60 days for immediate needs)
- Can include reimbursements for completed disaster-related work
- May cover costs for hazard mitigation
- Immediate assistance with scope of work formulation, cost estimating and environmental / historical compliance issues
- More eligible expenses to be covered (Sitework, roads, furnishings, recovery cost reimbursements, personal property, etc.)

Disadvantages:

- Eligible work is limited to disaster related recovery or hazard mitigation
- Requires undergoing a Section 106 Review (alternative process)
- Shorter completion time requirements (between 6 and 18 months)
- Requires reductions of funding to account for insurance claim proceeds
- Insurance coverage of repaired elements is mandatory



Fort Lauderdale - 1926 "Great Miami" Hurricane

FEDERAL DISASTER RECOVERY PROGRAMS

Individual Assistance Programs – Individuals and Households

- Available to individuals and households under the Individuals and Households Program (IHP) for homes damaged by a major disaster
- Provides up to \$31,900 in funds and direct services for limited restoration to a safe functioning condition of owner-occupied private residences that lack insurance
- Full restoration to pre-disaster condition can be funded up to \$200,000 by a home disaster loan from the Small Business Administration with an additional 20% for hazard mitigation
- Other Needs Assistance (ONA) provides assistance for temporary housing, essential household items, utilities, residential infrastructure and debris removal
- Assistance Limit: Annually adjusted amount based on the Consumer Price Index

Program information:

- floridadisaster.org/Recovery/IndividualAssistance/Index.htm
- sba.gov/loans-grants/see-what-sba-offers/sba-loan-programs/disaster-loans/types-disaster-loans/home-and-personal-property-loans



Fort Lauderdale - 1926 "Great Miami" Hurricane



Coral Gables - 1926 "Great Miami" Hurricane

FEDERAL DISASTER RECOVERY PROGRAMS

Individual Assistance Programs – Businesses and Not-For Profits

- Available to all businesses and not-for profit entities under the Small Business Administration (SBA), which provides low-interest loans
- Covers full restoration to pre-disaster conditions of damaged real property, fixtures, machinery, equipment, lost inventory and other business assets damaged by a major disaster
- Allows for 20% increase in approved real estate damage loan amount for hazard mitigation
- SBA can assist historic property owners by refinancing an existing mortgage
- Assistance Limit: \$2,000,000 (with exceptions)

Program information:

- disasterassistance.gov/get-assistance/forms-of-assistance/4479/0/D05
- floridadisaster.org/Recovery/IndividualAssistance/Index.htm
- sba.gov/loans-grants/see-what-sba-offers/sba-loan-programs/disaster-loans/types-disaster-loans/business-physical-disaster-loans



Miami - 1926 "Great Miami" Hurricane

FEDERAL DISASTER RECOVERY PROGRAMS

Public Assistance Grant Program - Overview

- Administered by the Florida Division of Emergency Management (FDEM) on behalf of FEMA
- Available to state, local and tribal publicly owned facilities and private not-for-profit critical facilities and non-critical community service facilities
- Critical facilities include schools, utilities, communications, medical care and emergency services
- Non-critical community service facilities, such as community centers, educational facilities, museums and libraries, must first apply for a Small Business Administration (SBA) loan. Recovery costs beyond the loan amount or if the loan is denied are eligible for Public Assistance Grant Program funding

**Applications for Public Assistance Grant funding must be submitted within 30 days of the project location being designated in the disaster declaration*



Public Assistance Program and Policy Guide

FP 104-009-2 / January 2016



FEDERAL DISASTER RECOVERY PROGRAMS

Public Assistance Grant Program – General Information

- Grant funding covers costs of restoration to pre-disaster condition and associated expenses such as debris removal costs, infrastructure repairs, emergency protective measures and eligible hazard mitigation measures (less insurance reimbursements)
- Must be a public facility or private nonprofit critical services facility damaged by a major disaster and located within a declared disaster area
- Minimum project cost thresholds and maximum grant funding vary with each fiscal year
- A federal share of the cost at a minimum of 75% with the remaining 25% match split between the State and the local government
- Waivers and deferrals for the match grant funding may be available
- Time limits for project completion begin on the disaster declaration date
 - Emergency work must be completed within 6 months
 - Permanent work must be completed within 18 months

**Program rules and procedures are extensive and sometimes complex. The applicant must familiarize themselves with program rules or contact FDEM for guidance.*



Fort Lauderdale - 1928 "Okeechobee" Hurricane



Palm Beach - 1928 "Okeechobee" Hurricane

FEDERAL DISASTER RECOVERY PROGRAMS

Public Assistance Grant Program – Historic Properties

- The Applicant is responsible for obtaining all required Environmental and Historic Preservation (EHP) permits from the appropriate agencies before proceeding with Emergency Work
- If the facility meets the criteria to be listed on the National Register of Historic Places, costs associated with work to comply with *The Secretary of the Interior's Standards* are eligible, including repair costs that exceed replacement value
- FEMA is the lead agency responsible for granting EHP permits and reviewing projects for National Historic Preservation Act Section 106 compliance for adverse effects on historic properties

**If the Applicant starts construction prior to FEMA's completion of this review, it will jeopardize Public Assistance funding for the entire project*

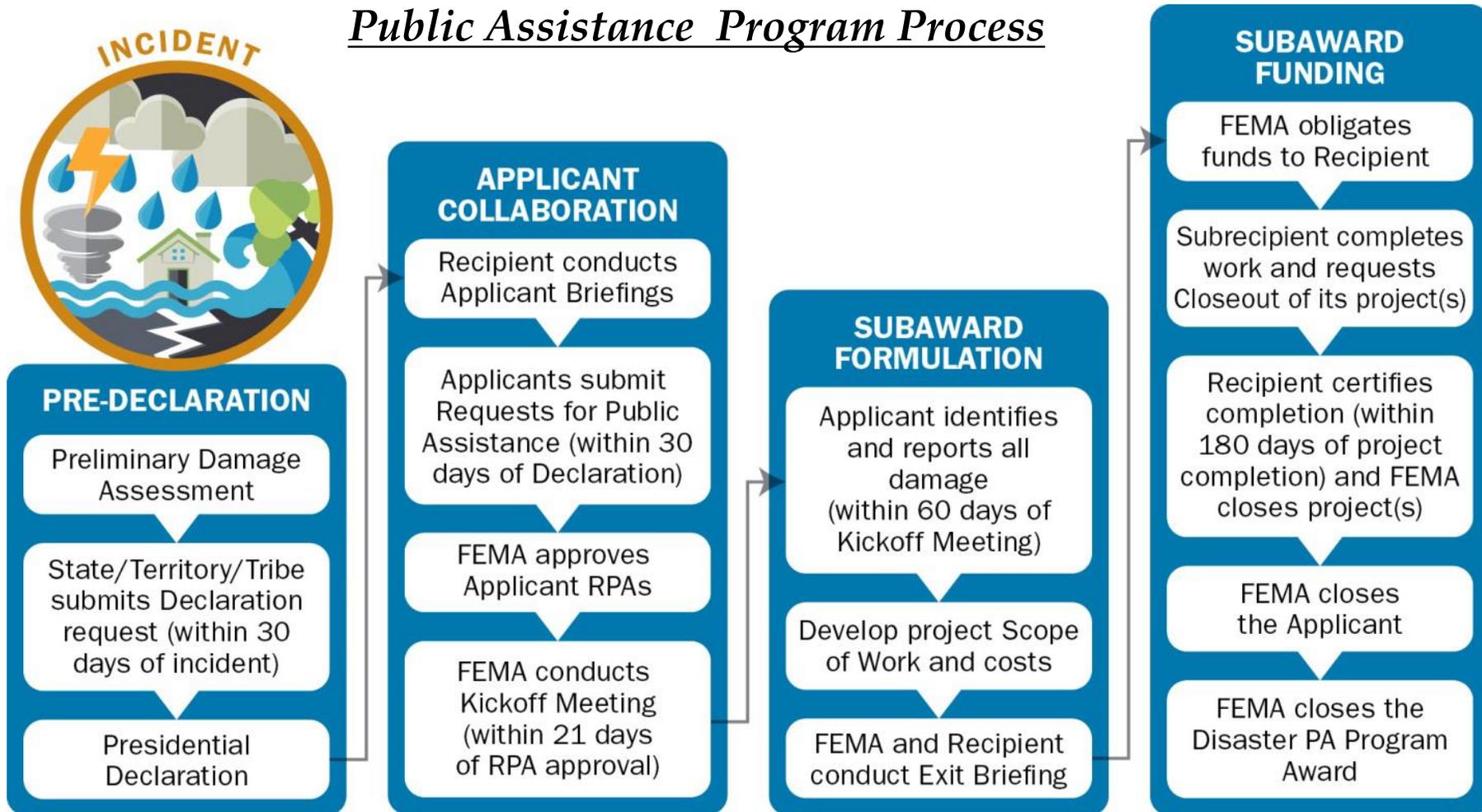
Program information:

- fema.gov/public-assistance-local-state-tribal-and-non-profit
- floridadisaster.org/Recovery/PublicAssistance/Index.htm
- floridapa.org/site/paInfo.cfm
- sba.gov/loans-grants/see-what-sba-offers/sba-loan-programs/disaster-loans/types-disaster-loans/business-physical-disaster-loans



1935 "Labor Day" Hurricane

FEDERAL DISASTER RECOVERY PROGRAMS





Key West 1935 "Labor Day" Hurricane

FEDERAL HISTORIC PRESERVATION TAX CREDIT PROGRAMS

FEDERAL HISTORIC PRESERVATION TAX CREDIT PROGRAMS

What Is a Tax Credit? A **tax credit** lowers the amount of tax owed, where a dollar of tax credit reduces the amount of income tax owed by one dollar

Who is Eligible? Individuals or entities who hold title to a depreciable (income producing) certified historic building

10% Rehabilitation Tax Credit allows a 10% tax **credit** to the building owner for qualified expenses related to the rehabilitation of a non-historic building placed in service before 1936 that will be rehabilitated for non-residential uses

- Covers *qualified expenses* of a building rehabilitation or restoration
- Program information: [nps.gov/tps/tax-incentives/taxdocs/about-tax-incentives-2012.pdf](https://www.nps.gov/tps/tax-incentives/taxdocs/about-tax-incentives-2012.pdf)

20% Rehabilitation Tax Credit allows a 20% tax **credit** to the building owner for qualified expenses related to the *Certified Rehabilitation* of an income producing *Certified Historic building*

- Covers *qualified expenses* of a building rehabilitation or restoration
- Program information: [nps.gov/tps/tax-incentives/before-you-apply.htm](https://www.nps.gov/tps/tax-incentives/before-you-apply.htm)



Riviera Beach - 1935 "Yankee" Hurricane



Cedar Key - 1935 "Labor Day" Hurricane

FEDERAL HISTORIC PRESERVATION TAX CREDIT PROGRAMS

Advantages:

- Has the benefit of financial and technical oversight by the Division of Historical Resources (DHR) and the National Park Service (NPS)
- May be employed for non-disaster related work, including additions, new construction and rehabilitation for adaptive re-use

Disadvantages:

- Funding is by reimbursement via income tax credits
- Multiple applications and levels of review and approval required
- Restrictive covenants employed
- Cannot include reimbursements for completed work
- Must maintain ownership of the property for 5 years



St. Augustine - 1944 "Cuba-Florida" Hurricane

FEDERAL HISTORIC PRESERVATION TAX CREDIT PROGRAMS – BASIC REQUIREMENTS

1. *Buildings must be Certified Historic Structures*

A building is classified as a *Certified Historic Structure* by the National Park Service, and eligible to be listed on the *National Register of Historic Places*, either individually or contributing to a registered historic district. Individual listings must meet the following three requirements:

1. **Age** – The building must be at least 50 years old (with exceptions)
2. **Significance** – The building must meet one or more of the NPS Criteria for Evaluation
 - A. It is associated with events that have made a significant contribution to history
 - B. It is associated with the lives of significant persons in our past
 - C. It embodies the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction
 - D. It has yielded or may be likely to yield, information important in history or prehistory
3. **Integrity** – The building must retain enough of the historic fabric in its present state

Further information on National Register requirements can be found at: nps.gov/nr/publications/bulletins/nrb15 or by contacting the Division of Historical Resources Survey and Registration Section at 850.245.6333



Key West - 1909 Hurricane



Tallahassee -1913 Hurricane

FEDERAL HISTORIC PRESERVATION TAX CREDIT PROGRAMS - BASIC REQUIREMENTS

2. All work to be performed must comply with the Secretary of the Interior's Standards for Rehabilitation.

What are the Secretary of the Interior's Standards?

They are 10 Standards based on 3 basic principles:

- Retain the historic character, even if use changes
- Retain and repair historic materials, features, spaces to the greatest extent possible
- Design compatible additions, alterations and new construction

Scope of the Standards include:

- Exterior work on the historic building, including new construction
- Interior work on the principal public spaces and major circulation features
- Building site work, including historic landscapes and archaeological features



Apopka -1918 Hurricane



Safety Harbor Springs - 1921 Hurricane

10% REHABILITATION TAX CREDIT BASICS

- The 10% tax credit is available for the rehabilitation of *non-historic* buildings placed in service before 1936
- The building must be *depreciable* and rehabilitated for non-residential use
- The rehabilitation must meet all 3 criteria:
 1. At least 50% of the existing external walls must remain in place as external walls
 2. At least 75% of the existing external walls must remain in place as either external or internal walls
 3. At least 75% of the internal structural framework must remain in place
- The rehabilitation must be *substantial*, exceeding either \$5,000 or the adjusted basis of the property, whichever is greater
- There is no formal review process for rehabilitations of non-historic buildings, but compliance with the *Secretary of the Interior's Standards* is required
- The tax credit must be claimed for the tax year in which the building is placed back in service

****Buildings listed or contributing to a district listed on the National Register of Historic Places, or was moved after 1935 are not eligible***



St. Augustine - 1944 "Cuba-Florida" Hurricane

20% REHABILITATION TAX CREDIT - BASICS

- The rehabilitation tax credit is available to the entity who holds title to the property
- *Personal property does not qualify for the credit*
- The amount of credit available under this program equals 20% of the *qualifying expenses* of your rehabilitation.
- The subject building must meet all of the program *qualifications*.
- There is no “partial” compliance with program requirements - the project must be fully compliant.
- There is no limit to the dollar amount of the tax credit that can be taken
- Owners are not compelled to perform any specific scope of work or task. However, if work on historic elements is performed, or removal of non-historic elements is undertaken, the new work must meet the rehabilitation standards and requirements of the National Park Service.
- Current owners are not responsible for non-compliant work of previous owners

**It is critical that owners apply for the rehabilitation tax credit before completing work and placing the building in service, and preferably, well in advance of beginning work*



St. Augustine - 1944 "Cuba-Florida" Hurricane

20% TAX CREDIT - ELIGIBILITY

What Qualifies?

There are four qualifications that a project must meet for *20% Tax Credit Program* eligibility :

1. The subject building is required to be a *Certified Historic Structure* by the National Park Service
2. The building must be *depreciable* for at least five (5) years after rehabilitation has been completed
3. The scope of work to be performed must constitute a *Substantial Rehabilitation*
4. The resulting work meets the requirements for being a *Certified Rehabilitation*



Delray Beach - 1947 "Fort Lauderdale" Hurricane

20% TAX CREDIT – QUALIFIED EXPENSES

Qualified Rehabilitation Expenses can include:

- Architectural and engineering fees, permitting
- Hazmat testing and abatement
- Contractor general conditions
- Structural evaluation and repair
- Building envelope repairs (roofs and walls)
- Window and door repair or replacement
- Historic ornament repair and restoration
- Interior rehabilitation / new construction
- Plumbing and fixtures
- Electrical wiring and fixtures
- HVAC system repairs or installation
- Handicapped accessibility upgrades
- Life Safety and other code required work
- Other operational components

Ineligible Expenses include, but are not limited to:

Site Work

- Remote outdoor lighting
- Hardscaping
- Landscaping
- Retaining walls
- Signage or fencing
- Storm sewer construction

Building Interior

- Appliances
- Cabinets
- Carpeting
- Furniture
- Window treatments
- Conjectural features

General Expenses

- Acquisition costs
- Leasing expenses
- Moving (building) costs
- Building removal
- Feasibility studies
- Financing fees

Building Exterior

- Non-Historic elements
- Building additions
- Conjectural features
- Non-compliant treatments of historic materials

20% TAX CREDIT – ENTITIES INVOLVED

1. State Historic Preservation Officer (SHPO)

- Serves as the point of contact for property owners for Tax Credit Projects, administers the program for the National Park Service and provides guidance on regulations, appropriate treatments and technical assistance

**APPLICANTS ARE STRONGLY ADVISED TO CONTACT THE SHPO OFFICE FOR GUIDANCE PRIOR TO PLANNING WORK ON ANY HISTORIC STRUCTURE*

2. National Park Service (NPS)

- Publishes program regulations, reviews applications for conformance with the *Secretary of the Interior's Standards for Rehabilitation*, issues certification decisions and transmits to the IRS

3. Internal Revenue Service (IRS)

- Publishes regulations on all financial matters concerning the 20% tax credit, audits taxpayers to ensure compliance and answers frequently asked questions regarding financial aspects of the program
- The IRS code and regulations dealing with the rehabilitation tax credit online at: <https://www.irs.gov/tps/tax-incentives/before-apply/irs.htm>



Apalachicola - 1947 Hurricane



Mitchell Beach - 1950 Hurricane "Easy"

20% TAX CREDIT - PROCESS

Federal Historic Preservation 20% Tax Credit Program Process

The applicant completes each of the **3-part application** and submits it to the State Historic Preservation Officer (SHPO) for review



The SHPO reviews for completeness of the application and reviews the final scope proposed work for compliance with the Standards and forwards each application with their endorsement to NPS



NPS reviews the application for approval, conditional approval or denial, makes final certification and transmits outcome to the IRS



The Owner submits IRS Form 3468 with their tax return to claim the Credit



6-1. SECTION 90060 ROAD US 1 MONROE COUNTY Storm damage after Hurricane Donna 9/17/60 Showing damage to large restaurant east side of highway at Islamorada.



Florida Keys - 1960 Hurricane "Donna"



Jacksonville Beach - 1964 Hurricane "Dora"

STATE HISTORIC PRESERVATION GRANT PROGRAMS

STATE HISTORIC PRESERVATION GRANTS

Advantages:

- Limited funding can be provided up front for emergency protective measures after grant approval
- Has the benefit of financial and technical oversight by DHR
- May be employed for non-disaster related work, including additions, new construction and rehabilitation for adaptive re-use

Disadvantages:

- Longer wait for funding
- Funding not guaranteed (multiple levels of approval required)
- Restrictive covenants are employed
- Time limit for work completion (12 month or 24 month)
- A funding match is usually required
- Cannot include reimbursements for completed work



Jacksonville Beach - 1964 Hurricane "Dora"

STATE HISTORIC PRESERVATION GRANTS

Small Matching Grants

- Available to non-profit organizations, state agencies (including universities) and local and tribal governments
- Covers emergency protective measures, restoration, rehabilitation, hazard mitigation and relocation work on Certified Historic Buildings and preservation of archaeological sites
- Small Matching Grants are funded up to \$50,000 and require a 100% match of the requested grant funds (with exceptions)
- Projects funded by this grant program must serve the public interest, and be accessible to the public
- Small Matching Grants require completion within one year

Program information:

- [Flheritage.com/grants/small-matching-grants](https://flheritage.com/grants/small-matching-grants)



Mandarin - 1964 Hurricane "Dora"



Live Oak - 1964 Hurricane "Dora"

STATE HISTORIC PRESERVATION GRANTS

Special Category Grants

- Available to non-profit organizations, state agencies (including universities) and local and tribal governments
- Covers emergency protective measures, restoration, rehabilitation, hazard mitigation and relocation work on Certified Historic Buildings and preservation of archaeological sites
- Special Category Grants are funded for between \$50,000 and \$500,000, and require the higher of \$50,000 or 50% match of the requested grant funds (with exceptions)
- Projects funded by this grant program must serve the public interest, and be accessible to the public
- Small Matching Grants require completion within two years

Program information:

- flheritage.com/grants/special-category-grants



Jacksonville Beach - 1964 Hurricane "Dora"



House At Rest On Top of Cars

Pensacola - 1969 Hurricane "Camille"

STATE HISTORIC PRESERVATION GRANTS

State Historic Preservation Grants program Process

The applicant completes an online application and submits it to the Division of Historical Resources (DHR) for review



DHR staff reviews the application proposed work and completes a report for each project that provides an assessment and recommendations



The Florida Historical Commission convenes to evaluate each application and develop rankings based on priority with recommended funding levels and submits them to the Secretary of State for review and approval



The Secretary of State submits the approved projects to the Florida Legislature for funding.



All approved applications are formalized in a Grant Award Agreement and the applicant may proceed with the approved work



DHR Staff monitors project progress, provides technical preservation support, approves payment of expenditures for reimbursement and conducts final project review upon completion of the work

FOR FURTHER PROGRAM INFORMATION

Federal Recovery Programs through FEMA

FEMA Disaster Assistance Improvement Program:

- Individual property owners: [disasterassistance.gov](https://www.disasterassistance.gov)
- Government and Private Non-Profit property owners: [fema.gov/public-assistance-local-state-tribal-and-non-profit](https://www.fema.gov/public-assistance-local-state-tribal-and-non-profit)

Florida Division of Emergency Management, Recovery Section:

[floridadisaster.org/Recovery/index.htm](https://www.floridadisaster.org/Recovery/index.htm) or by calling the Recovery Section at 850.413.9968

Federal Historic Preservation Tax Credit Programs

The National Park Service, Technical Preservation Services:

[nps.gov/tps/tax-incentives.htm](https://www.nps.gov/tps/tax-incentives.htm) or by calling Technical Preservation Services at 202.513.7270

Florida Department of State Division of Historical Resources, Architectural Preservation Services:

[flheritage.com/historical/preservation/architectural-preservation-services](https://www.flheritage.com/historical/preservation/architectural-preservation-services) or by calling 850.245.6333

Historic Preservation Grant Programs

Florida Department of State Division of Historical Resources, Historic Preservation Grants Program:

[flheritage.com/historical/grants](https://www.flheritage.com/historical/grants) or by calling the Bureau of Historic Preservation at 850.245.6333

RECOVERY AND MITIGATION RESOURCES

Please refer to the Department of State Division of Historical Resources webpage for the following guidance documents:
flheritage.com/historical/preservation/architectural-preservation-services/guidance-for-disaster-mitigation/

- *FEMA Public Assistance Program and Policy Guide – January 2016*
- *FDEM - Disaster Planning for Florida's Historic Resources*
- *FDEM - Disaster Mitigation for Historic Structures: Protection Strategies*
- *FEMA Floodplain Management Bulletin – Variances and the National Flood Insurance Program*
- *FEMA P-467-2 Floodplain Management Bulletin - Historic Structures*
- *FDEM - The Florida Greenbook of Environmental and Historic Preservation Compliance*
- *GSA - Guidelines for Salvaging Historic Building Materials in the Event of a Disaster*
- *National Trust for Historic Preservation - Treatment of Flood Damaged Older and Historic Buildings*
- *National Park Service - Protecting Your Historic Home from Natural Disasters*

Further technical guidance available from The National Park Service:
<https://www.ncptt.nps.gov/technical-resources/resilient-heritage/>

- *Resilient Heritage: Protecting Your Historic Home from Natural Disasters*